GENERAL

- 1. Spaak doubts imminence of world conflict—According to US Ambassador Kirk in Brussels, ex-Premier Spaak of Belgium continues to believe that the Soviet Union does not wish to provoke a general war because it realizes the USSR could not in the long run defeat the US. Spaak recommends that a formal statement be issued declaring that US military forces will remain in Germany until a satisfactory state of peace has been restored and that any attack on these troops will be considered an act of war. Spaak believes that such a statement would not only clarify relations with the USSR but would allay anxiety in western Europe over the possible military capabilities and intentions of a restored German political state.
- 2. Swedish views on Scandinavian alliance—According to US
 Ambassador Matthews, Swedish officials at present feel that
 Sweden's objective in any future Scandinavian military alliance
 should be to insure the adherence of Norway and Denmark to
 the Swedish policy of strict neutrality. Matthews comments that
 a Nordic alliance at a price of combined neutrality would not
 be advantageous to the US or the other free western nations
 and, in his opinion, should be discouraged.

(CIA Comment: It is unlikely that Norway would agree to an alliance which would call for strict neutrality.)

3. Danger of Italian dominance in Trieste--US Political Adviser Joyce expresses the view that to give the Italians "practical hegemony" over the Allied Zone in Trieste, prior to the return of Trieste through a revision of the peace treaty, would be to stimulate Yugoslav intransigence. Joyce further believes that because the USSR is apparently distinclined to accept the US-UK recommendation for a treaty revision, the AMG in Trieste will be for the foreseeable future, "facing a bitter, sullen, truculent Yugoslavia." Joyce thinks that the treaty must be strictly observed in order not to provide Yugoslavia with any excuses for "adventures."

NO CHANGE in Class.

State, DIA reviews completed

TOPSECRET

23 **5**

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NEAR EAST-AFRICA

- 4. PALESTINE: Abdullah expected to occupy Arab sections—
 The US Military Attache in Damascus transmits the opinion of the ex-Prime Minister of Transjordan that: (a) King Abdullah's Arab Legion will invade Palestine after 15 May "practically alone" and without any substantial help from Syria, Lebanon, or Egypt; and (b) owing to difficulties of supply, the Arab Legion is capable of no more than a 30-day campaign. The MA adds that the general impression of informed observers is that Abdullah will in effect implement partition by occupying only the Arab sections of Palestine and "restoring order."
- Attache in Karachi has received completely reliable information indicating the possibility of imminent armed conflict between India and Pakistan. According to source, Pakistan now has three Regular Army battalfions in Kashmir ready to support the Azad Free Kashmir forces if the present positions of the Azad forces are seriously threatened by the Indian Army. The MA indicates that the strategic location of other units would permit the Government of Pakistan immediately to utilize forces against India amounting to one army corps. The MA comments that because of Pakistan's lack of supplies and reserves, India would be the victor in a short though bloody engagement.

(CIA Comment: If Pakistan troops are already in Kashmir (where, unlike Indian troops, they have no legal right to be), the Government of Pakistan has probably decided to resist by force further efforts of the Government of India to establish the authority of Sheikh Abdulla over all of Kashmir. Although a peaceful settlement of the Kashmir dispute is still possible by means of direct negotiations between the two dominions which would result in the partitioning of the State. CIA agrees that a serious possibility of war now exists as a result either of:

(a) further successful action by Indian troops against the Acad Kashmir forces; or (b) the Government of India's reaction to Pakistan's illegal occupation of Kashmir territory.)

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FAR EAST

6. KOREA: Anti-US stand of South Korean rightist leaders—US Political Adviser Jacobs reports that during an 8 May conversation Kimm Kiusic tried to minimize his 8 May attack on the US Military Government at a press conference. Jacobs is convinced, however, that Kimm opposes US and UN policy in Korea and is "definitely leaning" toward the North Korean regime. Jacobs also believes that the present anti-US attitude of Kimm Kiusic and Kim Koo, as evidenced in their participation in the Pyongyang conference, is motivated by bitterness over their inability to attain political supremacy in South Korea.

(CIA Comment: CIA concurs with Jacobs' estimate as a partial explanation of Kimm Kiusic's actions. In addition, CIA believes that Kimm has been convinced by his failure to obtain a categorical US guarantee of the independence of the future South Korean Government that Soviet domination of all Korea is inevitable as a result of this US "betrayal.")